

# ***Headquarters U.S.A.F.***

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***Integrity - Service - Excellence***

## **Commodity Councils 101**

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## **USAF GPC Meeting**



***Lt Col Tim Reed***  
***SAF/AQC***  
***26 Aug 2004***

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# Current Acquisition Process Impacts Users



- **Multiple Configurations**
  - Significantly inhibit ability to benefit from large, standardized purchasing, bulk discounted rates, and require preparation of multiple purchase standards
- **Multiple Transactions**
  - High numbers of transactions = High transaction costs
  - Waste of organizational resources
- **Multiple Contracts**
  - Drastically increase procurement and acquisition costs
  - Waste of organizational resources
  - Prohibits the use of available efficiencies
  - Unnecessary duplication of effort

**Multiple Configurations, Transactions, and Contracts Negatively Impact Readiness**



*Air Force Contracting - Expeditionary - Agile - Innovative*



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# Commodity Council-- Defined



**'Commodity' = segmentable category of goods or services**

- Does not imply an expendable or non-complex item

**'Commodity Council' = cross-functional sourcing team**

- AF-Level Organization—reports to the Commodity Strategy Official
- Develops enterprise-wide procurement strategies
- Integrates customers and suppliers
- Drives commonality and standardization
- Leverages purchasing volume

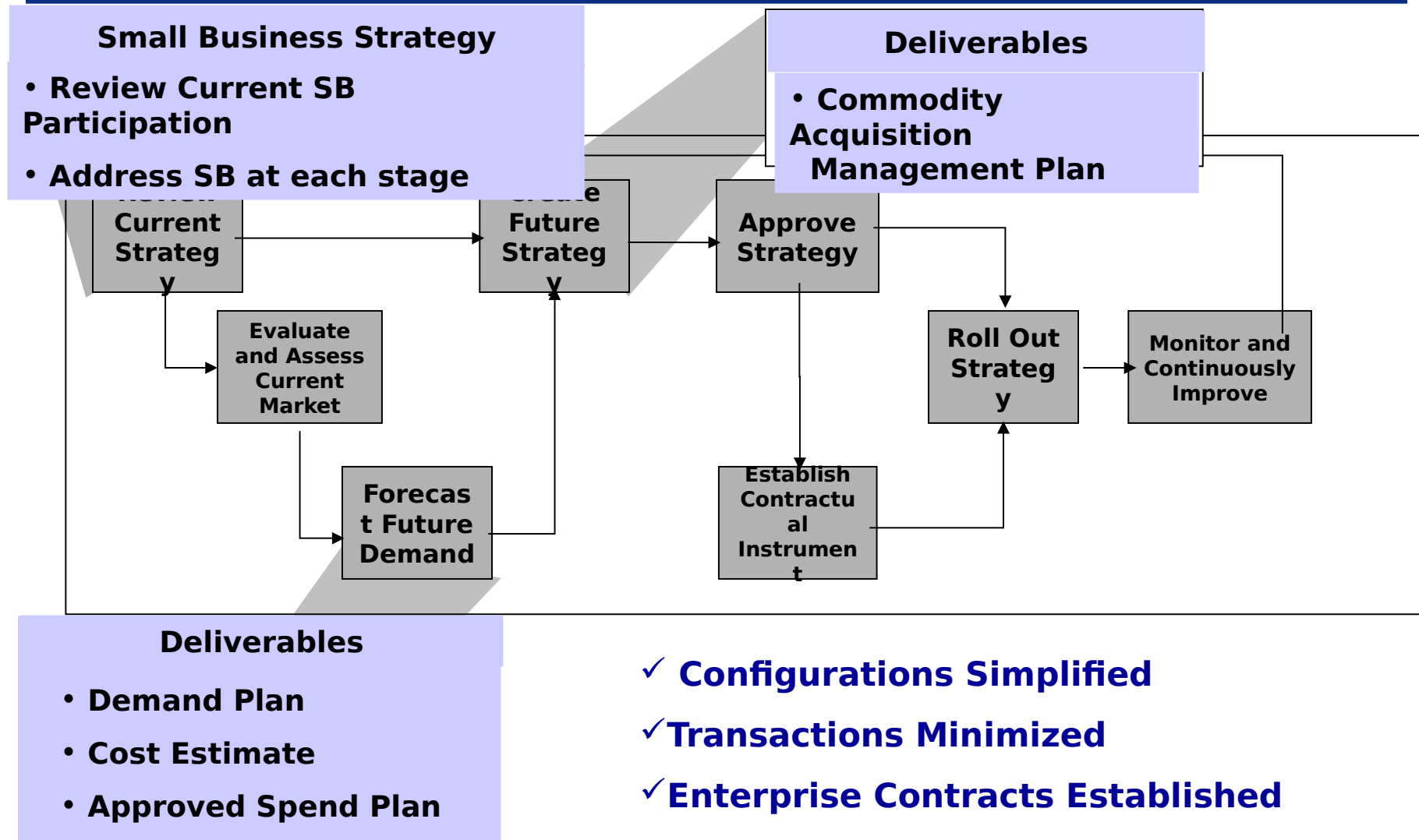
**Characteristics of a Commodity Council:**

- Executive-level endorsement
- Well-informed and market savvy commodity experts
- Centralized strategy . . . decentralized execution



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# Commodity Council Operations Process





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# **Commodity Councils**

## **A Success Story - ITCC**



- **Established 3 AF “Mainstream” configurations for Desktops, Laptops and Servers**
  - **Went from > 1000+ AF configurations to 3**
  - **Plan to update quarterly**
- **Implemented a repeatable enterprise-wide “bulk buy” approach using quantity price breaks and online “e-buying”**
- **Documented savings of between 20-40%**
- **Shaped and leveraged FY03 EOY Desktop/Laptop buys**
  - **AFRC: Obtained \$500K “more hardware” for July order**
  - **AFMC: Obtained 3,076 additional desktops for needed tech refresh**
  - **AU: Beat \$850 planned price at higher technology level**
  - **ACC/USAFE/AETC: Combined purchases to achieve savings at 10,000 unit level. Increased buying power by 22%**
  - **DHS participation anticipated for future QEBs**



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# Commodity Council Status



## ■ Force Protection CC (FPCC)

- **Demobilization of Army personnel currently securing AF gates and visitor centers (vehicle inspection)**
  - Consists of 18 bases and 800 FTE's
  - Additional 5400 ArNG go away at 40 more bases in Nov 04
- **AF/XO-SF, PEO/CM, and AQC forming FP CC**
- **Center of Excellence and FPCC at Lackland AFB (AETC)**
- **AF/XO-SF and SAF/AQC to be CSOs**

## ■ Medical Services CC (MSCC)

- **AFMC/SG is leading effort to stand up AFMS CC for professional services, clinical support services, facilities and mnx support, and contingency services**
- **Center of Excellence at WPAFB (AFMC)**
- **AFMC/SG and PEO/CM to be CSOs**



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# CC Organization: Who is on a Commodity



## Council?



- ✓ Six to nine full-time members who manage the day to day business of the commodity council from a “Center of Excellence”
- ✓ Representatives from each MAJCOM participate on a regular basis
- ✓ MAJCOM representatives are requirements experts for the given commodity

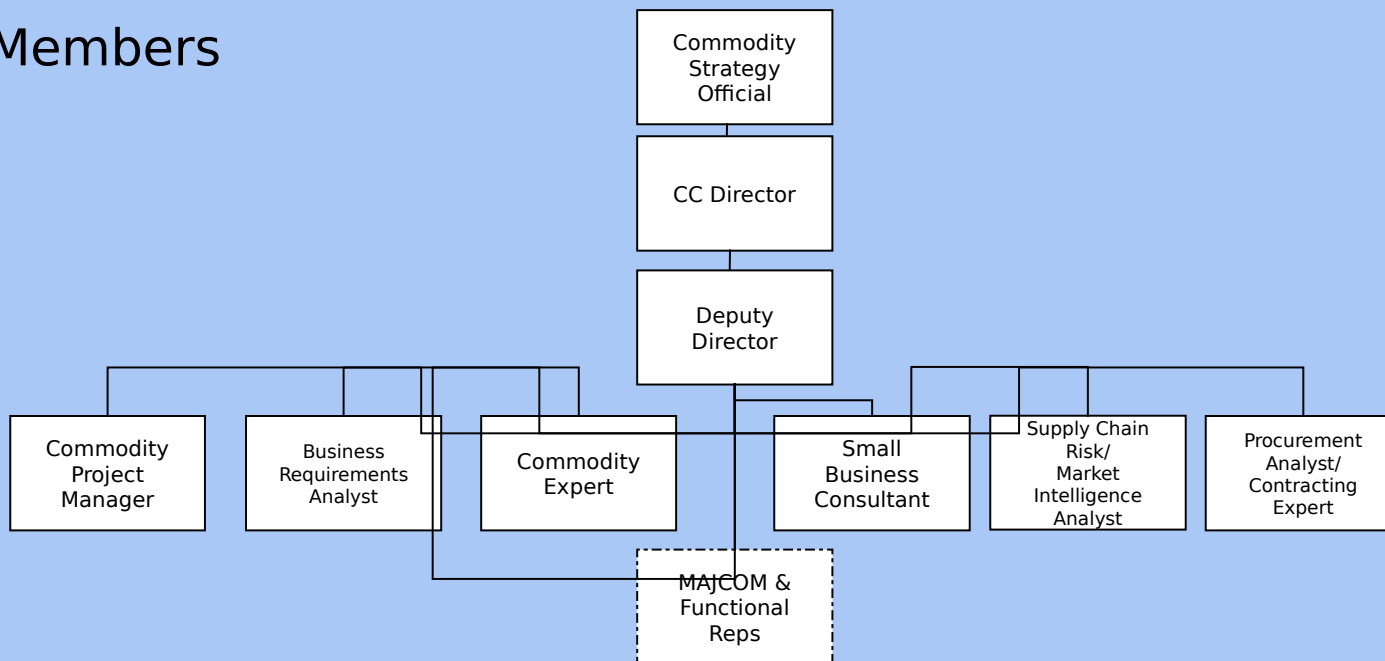


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# Commodity Council Structure



## Core Members



## Advisors



## Stakeholders







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# Roles & Responsibilities (cont'd)



## MAJCOM and Functional Representatives

- **Represent stakeholders during commodity council operations**
- **Survey functional areas to determine what capabilities require the commodity**
- **Primary communication link to other functional stakeholders at MAJCOMs**
- **Primary communication link to base level functionals under the MAJCOM**



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# **MAJCOM/AF ITCC POCs**



<b>AETC</b> <b>Maj Adam Green</b> <b>487-5383</b>	<b>AFSOC</b> <b>Lt Col George</b> <b>Crouse</b> <b>579-6918</b>	<b>AFRC</b> <b>Mr. John Gillespie</b> <b>497-1824</b>
<b>ACC</b> <b>Maj Paul Young</b> <b>574-7359</b>	<b>AFMC</b> <b>Mr. Gary S. Brooks</b> <b>787-4438</b>	<b>AFSPC</b> <b>Col Wedertz,</b> <b>692-2510</b>
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# Recent ITCC Activity



- **Mandatory AFWAY Policy—12 Aug 03**
  - **All desktops and laptops are to be purchased via AFWAY**
- **Mandatory SB/QEB Policy—12 Jul 04**
  - **All planned purchases will be made through AFWAY—either direct to SB or rolled up into QEB**
- **Microsoft Product Moratorium—11 Aug 04**
  - **AF has a new enterprise wide license agreement with Microsoft**
  - **Use of Office/Windows/Exchange/Server SW et al are authorized for all AF users under this contract**
  - **No other purchase (via contract OR GPC) of these products is authorized**



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# SAF/AQC Assistance



- **All communication is sent to**
  - **ITCC MAJCOM Functional POCs (SCs)**
  - **ITCC MAJCOM PK/LGC POCs**
  - **ITCC MAJCOM SB POCs**
  - **AQC GPC POC → MAJCOM POCs**
- **Guidance on how to participate in the Quarterly Buy**
- **All policy information**
- **Developing “additional guidance for GPC users”**
- **If you’re not getting the info you need let us know**